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PAT MILLER

NOV 17 2004

TN REGULATORY AUTHORITY

*Former Co-Chair, Restorative Justice Coalition of Middle Tennessee, Steering Committee,
Public Safety and Justice Campaign, Vice-President, Private Corrections Institute*

November 12, 2004

SENT VIA FAX AND MAIL

Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN. 37243-0505

RE: TRA Docket Nos. 00-00166 and 00-00211

Dear Chairman Miller:

I am contacting the Tennessee Regulatory Authority in reference to the above docket entries, specifically as they relate to raising the cap on inmate local collect calls to \$1.50 per call from the current \$1.00 per call (a 50% increase).

I find it ironic that phone service providers such as Global Tel*Link and Evercom are seeking a cap increase for inmate local collect calls in order to generate additional revenue. When these companies contract with local and state government agencies (e.g., the Tennessee Department of Correction) to provide inmate phone services, they pay a percentage of their revenues to the agency – as high as 40%. This contractual kickback means that phone service providers can generate a profit based on up to only 60% of their revenue, since the remainder is paid to the contracting agency.

If inmate phone service providers feel they need to boost their income they should re-negotiate their contracts with the agencies to which they provide phone services, in order to reduce their kickback percentage. Additional revenues should not come from prisoners' families who overwhelmingly are the ones who must pay the inflated rates that these companies charge.

It is even more ironic that inmate phone service providers are seeking a cap increase for local collect calls when, in the past, companies in this industry have been repeatedly sanctioned for overcharging prisoners' families. In 1997, the Florida Public Service Commission ordered MCI to refund overcharges on collect calls made from

Florida correctional facilities; to settle the claims MCI paid a \$10,000 fine and put \$189,482 into an inmate fund. In 1996, San Antonio-based North American Intelcom agreed to refund \$400,000 overcharged to those who accepted inmates' collect calls. In Louisiana the state Public Service Commission ordered Global Tel*Link to refund \$1.2 million in overcharges from June 1993 to May 1994. And if my memory serves correctly, Global Tel*Link was found to be overcharging customers in Tennessee, too.

In seeking a cap increase for local collect calls from correctional facilities these companies are, essentially, seeking to legalize their practice of overcharging. Since calls made from prisons and jails are routed through an automated computerized system with no operator assistance, it is hard to understand why such calls are inordinately expensive, as phone service providers often claim.

Regardless, increasing the profit margins of multi-million dollar telecommunication companies should not be borne on the backs of prisoners' families – especially when such companies kick back a large percentage of their revenues to state and local agencies in order to win and retain their highly lucrative inmate phone service contracts. These agencies, including local jails, thus stand to profit through increasing the cap on inmate collect calls, hence the comments filed by the Tennessee Sheriff's Association.

It would be poor public policy to increase the cap for local collect calls made from correctional facilities when inmate phone service providers have not shown there is a compelling need to do so. Simply noting that Tennessee has one of the lowest local collect call rates in the nation is not a compelling reason; some state must have the lowest rate, and Tennessee should be commended for being progressive in this area.

I am sure you already are aware of research indicating that regular communication between inmates and their families promotes reintegration into society after prisoners are released with a corresponding decrease in recidivism rates; therefore, I will not belabor this point. I will, however, include with this correspondence a copy of comments filed with the FCC by the Utility Consumers' Action Network (UCAN), a California-based non-profit agency. In an unrelated matter, UCAN filed a complaint against MCI for overbilling inmate phone services. On May 4, 2001, the California Public Utility Commission ordered MCI to refund \$522,485.00 in overcharges on collect phone calls made by California prisoners to their families.

For the reasons stated above I urge the TRA to deny the pending petitions as they relate to increasing the cap for local collect calls made from correctional facilities. Thank you for your time and attention in this regard;

Sincerely,



Alex Friedmann

Enclosure